SAN BERNARDINO COUNTY ECONOMIC FORECAST

San Bernardino County is the largest county in the nation in terms of total land area. San Bernardino County and Riverside County comprise the Inland Empire, one of the fastest growing metropolitan areas in the nation from 1997 to 2006. The recession had an outsized impact on the region, but general economic improvements have been observed over the last three years.
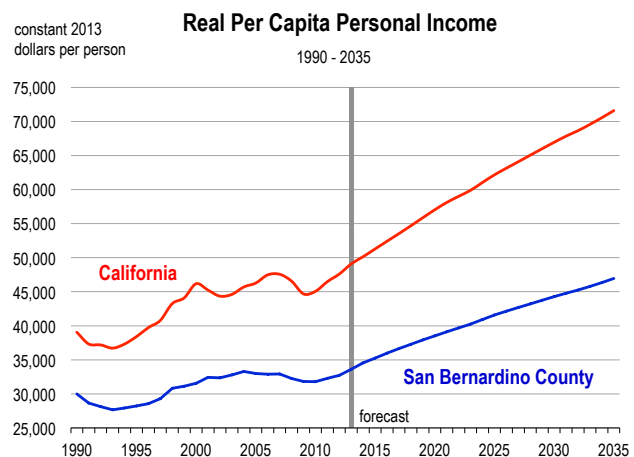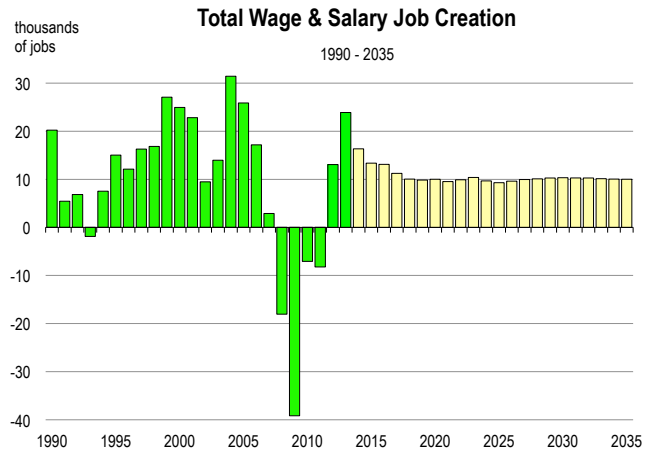
San Bernardino County has a population of 2.1 million people and a total of 631,700 wage and salary jobs. The per capita income is $33,626 and the average salary per worker is $55,773.

Across Southern California, total employment increased by 2.7 percent in 2013. In San Bernardino County, a total of 23,900 jobs were gained, representing a growth rate of 3.9 percent. In addition, the unemployment rate improved from 11.9 percent in 2012 to 10.1 percent in 2013.

In 2013, virtually all major sectors were characterized by job growth. The largest gains occurred in education and health services (+7,100 jobs), retail and wholesale trade (+3,600 jobs), and transportation and warehousing (+3,200 jobs). The only sector with losses was information (-100 jobs).

From 2008 to 2013, the San Bernardino County population increased at an annual average rate of 0.6 percent. This growth was due entirely to the natural increase (new births), as total net migration was negative.

The San Bernardino County economy will continue to expand in 2014. Over the longer-term forecast, the Inland Empire will experience greater growth than the coastal counties, due largely to the availability of land at lower costs.

Total Wage & Salary Job Creation

thousands of jobs

1990 - 2035

Real Per Capita Personal Income

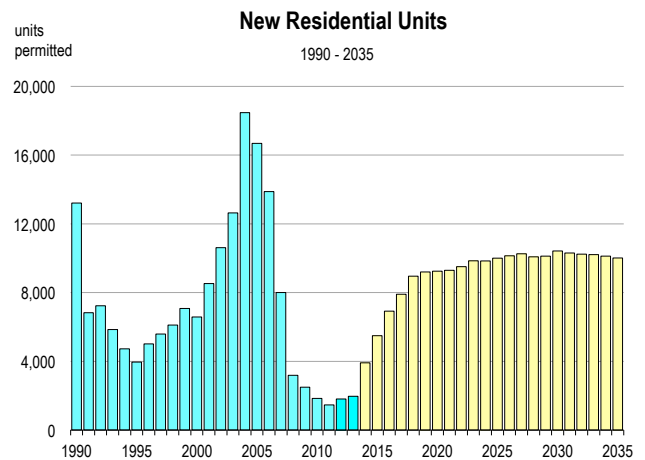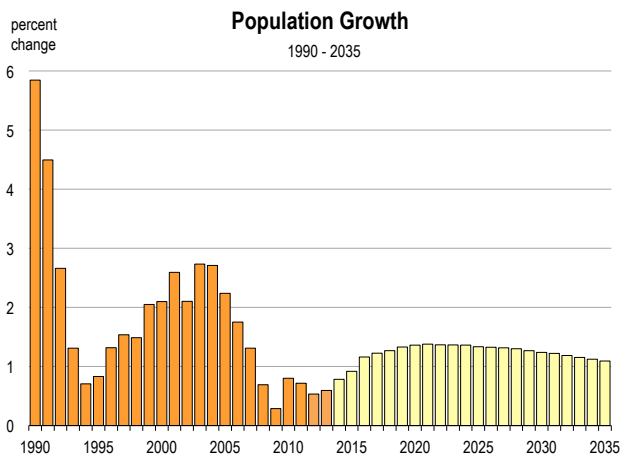constant 2013 dollars per person

1990 - 2035

FORECAST HIGHLIGHTS

- Wage and salary employment is expected to increase by 2.6 percent in 2014. From 2014 to 2019, the annual growth rate is expected to average 1.7 percent.

- Average salaries are currently below the California state average, and will remain so over the foreseeable future. In San Bernardino County, inflation-adjusted salaries are forecasted to rise by an average of 1.5 percent per year between 2014 and 2019.

- From 2014 to 2019, the largest employment gains will be observed in professional and business services (+9,800 jobs), leisure and hospitality (+9,800 jobs), transportation and utilities (+9,200 jobs), and education and healthcare (+7,400 jobs).

- From 2014 to 2019, population growth is expected to average 1.2 percent per year. This is significantly faster than the 0.6 percent that occurred over the previous five years.

- Net migration will turn positive in 2015, and will remain positive throughout the remainder of the forecast. Between 2014 and 2019, an average of 6,200 net migrants will enter the county each year.

- Real per capita income is expected to rise by 2.8 percent in 2014. During the 2014-2019 period, real per capita income is forecast to increase by 1.9 percent per year.

- Total taxable sales will increase by an average of 2.2 percent per year from 2014 to 2019.

- Industrial production will rise by 4.2 percent in 2014. From 2014 to 2019, the growth rate of industrial production is expected to average 4.6 percent per year.

San Bernardino County Economic Forecast
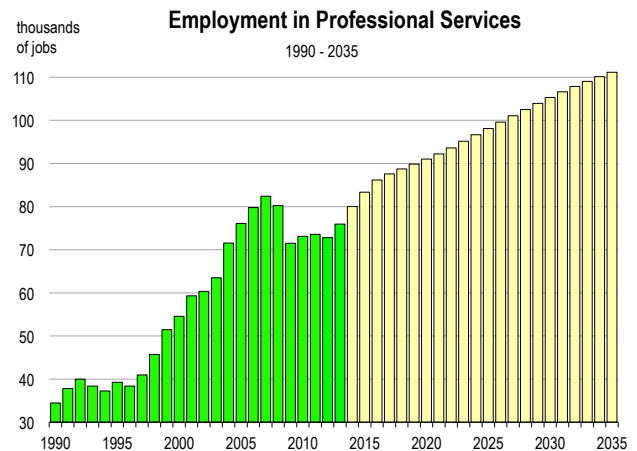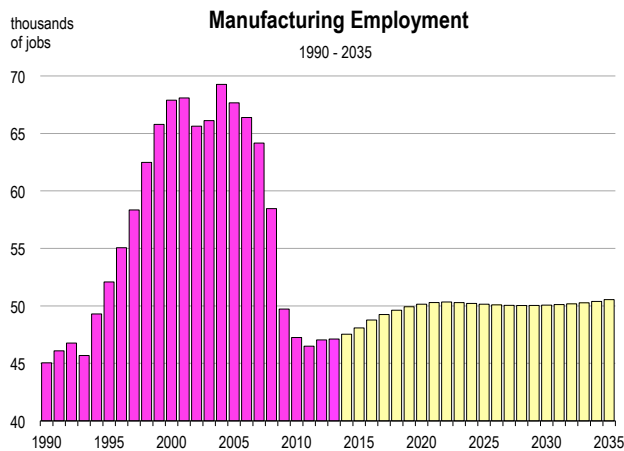## 2006-2013 History, 2014-2040 Forecast

	Population (people)	Net Migration (people)	Registered Vehicles (millions)	Households (thousands)	New Homes Permitted (homes)	Total Taxable Sales (billions)	Personal Income (billions)	Real Per Capita Income (dollars)	Inflation Rate (% change in CPI)	Real Farm Crop Value (millions)	Real Industrial Production (billions)	Unemploy- ment Rate (percent)
2006	1,976,767	12,872	1.69	582.5	13,872	$31.3	$57.2	$32,884	4.3	495.6	18.0	4.8
2007	2,002,651	3,056	1.67	595.8	8,004	$30.5	$59.8	$32,908	3.3	630.1	17.8	5.6
2008	2,016,526	-8,896	1.64	604.0	3,182	$27.8	$61.2	$32,263	3.5	582.3	17.6	8.0
2009	2,022,319	-15,473	1.63	608.4	2,495	$23.7	$60.0	$31,809	-0.8	381.1	16.4	12.9
2010	2,038,546	-3,778	1.64	611.6	1,847	$24.7	$61.1	$31,782	1.2	453.0	16.1	14.2
2011	2,053,155	-4,633	1.63	613.3	1,465	$27.3	$64.2	$32,294	2.7	536.0	16.3	13.4
2012	2,064,118	-7,434	1.63	614.6	1,810	$29.5	$66.8	$32,708	2.0	471.8	17.3	11.9
2013	2,076,399	-6,268	1.65	616.1	1,967	$31.3	$69.8	$33,626	1.1	489.8	18.1	10.1
2014	2,092,660	-1,992	1.67	617.9	3,914	$33.3	$73.5	$34,561	1.7	487.8	18.9	8.9
2015	2,111,879	803	1.69	621.4	5,493	$34.9	$77.4	$35,269	2.2	473.3	19.8	7.9
2016	2,136,392	5,528	1.71	626.3	6,921	$36.5	$81.5	$35,976	2.1	477.2	20.7	6.8
2017	2,162,569	6,945	1.73	632.4	7,905	$37.6	$85.1	$36,644	1.2	481.4	21.6	6.4
2018	2,189,987	8,022	1.76	639.5	8,956	$38.8	$88.7	$37,285	1.2	485.8	22.6	6.3
2019	2,219,107	9,727	1.78	647.5	9,202	$40.0	$92.6	$37,914	1.3	493.2	23.6	6.1
2020	2,249,321	10,992	1.81	655.7	9,247	$41.3	$96.5	$38,514	1.2	480.4	24.6	6.1
2021	2,280,327	11,994	1.84	664.0	9,298	$42.5	$100.7	$39,116	1.4	463.7	25.6	6.1
2022	2,311,495	12,344	1.86	672.3	9,509	$43.7	$105.0	$39,674	1.5	473.1	26.6	6.1
2023	2,343,047	12,831	1.88	680.8	9,851	$44.9	$109.5	$40,240	1.4	479.4	27.6	6.0
2024	2,374,962	13,160	1.90	689.6	9,843	$46.2	$114.4	$40,927	1.4	488.7	28.6	6.0
2025	2,406,656	12,935	1.92	698.4	10,004	$47.6	$119.5	$41,600	1.4	494.6	29.7	6.0
2026	2,438,561	13,150	1.94	707.3	10,142	$48.9	$124.4	$42,161	1.4	494.1	30.7	6.0
2027	2,470,654	13,339	1.96	716.4	10,259	$50.5	$129.3	$42,688	1.4	490.4	31.9	6.0
2028	2,502,780	13,369	1.98	725.5	10,082	$52.1	$134.5	$43,219	1.4	492.7	33.2	6.0
2029	2,534,500	12,955	2.00	734.5	10,122	$53.8	$139.8	$43,750	1.4	492.0	34.5	6.0
2030	2,565,894	12,641	2.01	743.6	10,423	$55.6	$145.2	$44,274	1.4	476.4	35.9	6.0
2031	2,597,245	12,638	2.03	752.9	10,305	$57.7	$150.7	$44,784	1.4	461.0	37.3	6.0
2032	2,628,049	12,143	2.04	762.1	10,238	$59.9	$156.2	$45,258	1.4	474.4	38.8	6.0
2033	2,658,358	11,694	2.06	771.2	10,210	$62.1	$162.1	$45,789	1.4	484.7	40.3	6.0
2034	2,688,221	11,318	2.07	780.3	10,123	$64.3	$168.2	$46,349	1.4	492.0	41.9	6.0
2035	2,717,595	10,891	2.09	789.4	10,016	$66.5	$174.6	$46,940	1.4	488.1	43.6	6.0
2036	2,746,489	10,466	2.10	798.3	9,842	$68.7	$181.1	$47,538	1.4	503.0	45.3	6.0
2037	2,774,843	9,976	2.12	807.1	9,684	$70.8	$188.0	$48,167	1.4	506.9	47.1	6.0
2038	2,802,640	9,488	2.13	815.8	9,548	$73.0	$195.1	$48,822	1.4	484.3	48.9	6.0
2039	2,829,919	9,047	2.15	824.3	9,387	$75.1	$202.5	$49,495	1.4	490.6	50.8	6.0
2040	2,856,643	8,557	2.16	832.7	9,136	$77.3	$210.0	$50,168	1.4	494.1	52.8	6.0

Population Growth
percent change

1990 - 2035

New Residential Units
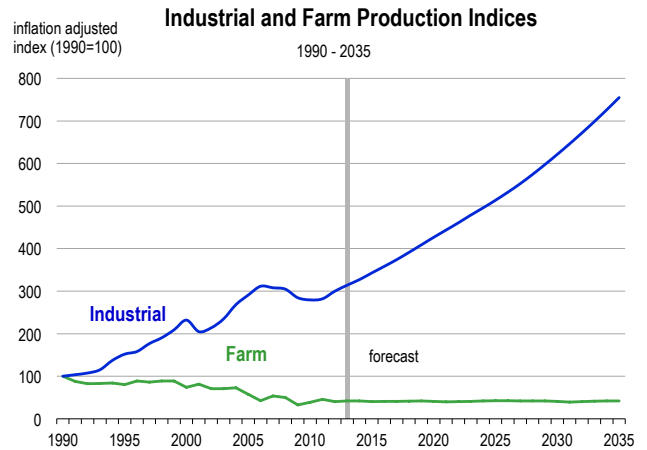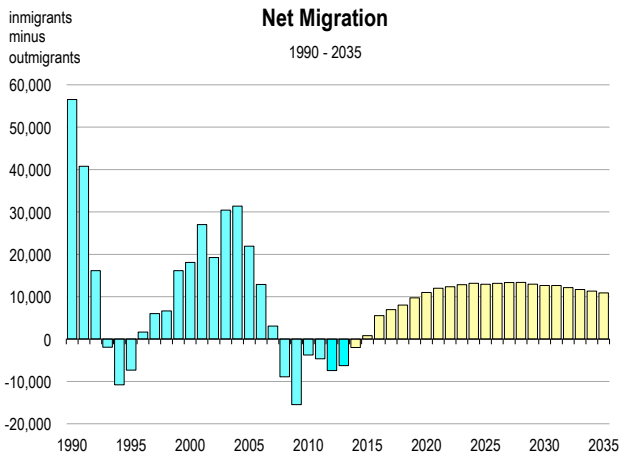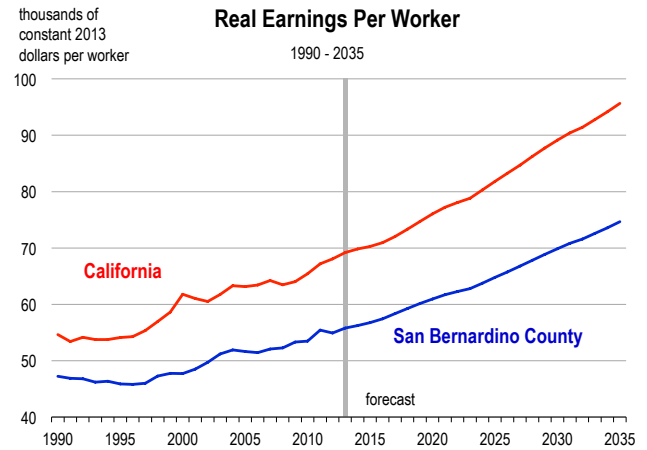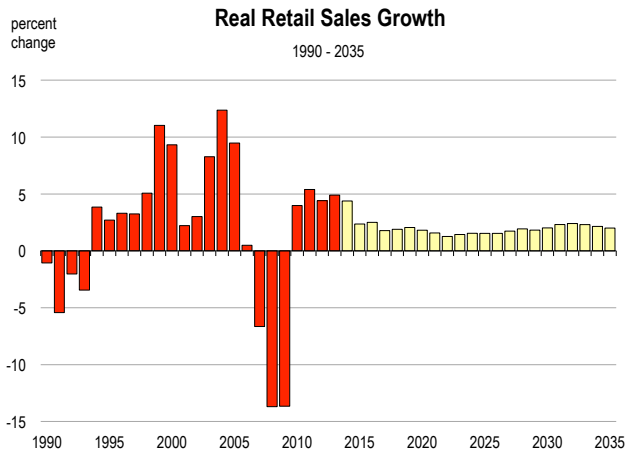units permitted

1990 - 2035

San Bernardino County Employment Forecast
2006-2013 History, 2014-2040 Forecast

	Total Wage & Salary	Farm	Construction	Manufac-turing	Transportation & Utilities	Wholesale & Retail Trade	Financial Activities	Professional Services	Information	Health & Education	Leisure	Government
	--employment (thousands of jobs)--											
2006	664.4	3.06	46.8	66.4	48.7	120.3	27.9	79.8	7.6	68.6	56.2	117.6
2007	667.3	3.45	43.6	64.2	48.6	123.3	26.8	82.4	7.6	70.3	58.8	116.5
2008	649.2	2.83	36.0	58.5	49.0	117.5	23.8	80.2	7.1	73.6	58.2	120.5
2009	610.1	2.49	27.6	49.7	47.1	107.6	21.9	71.5	5.6	75.7	55.1	125.9
2010	603.0	2.60	24.3	47.3	47.2	106.5	21.7	73.1	3.8	75.8	55.1	125.1
2011	594.8	2.45	25.0	46.5	48.4	106.2	21.4	73.6	4.5	77.5	55.1	113.3
2012	607.9	2.18	26.0	47.0	49.7	111.3	21.5	72.8	5.3	80.4	57.3	112.3
2013	631.7	2.13	28.8	47.1	52.9	114.9	22.1	75.9	5.2	87.5	60.3	112.5
2014	648.1	2.10	30.4	47.5	54.9	118.1	22.6	80.0	5.4	89.3	62.2	112.3
2015	661.4	2.05	31.4	48.1	56.7	119.8	22.5	83.3	5.4	91.0	64.3	112.7
2016	674.5	2.02	32.4	48.8	58.5	121.5	22.6	86.2	5.4	92.3	66.6	113.2
2017	685.8	2.00	33.6	49.2	60.4	122.8	22.7	87.6	5.5	93.8	68.7	113.9
2018	695.8	1.99	34.7	49.6	62.3	123.9	22.8	88.7	5.5	95.2	70.5	114.5
2019	705.6	1.99	35.5	49.9	64.1	125.0	23.4	89.9	5.5	96.7	72.0	115.2
2020	715.6	1.97	36.2	50.1	66.0	125.9	24.1	91.0	5.6	98.2	73.3	116.2
2021	725.2	1.94	36.9	50.3	67.9	126.7	25.0	92.2	5.6	99.8	74.7	116.6
2022	735.1	1.93	37.5	50.3	69.8	127.4	26.1	93.6	5.6	101.5	76.1	117.2
2023	745.4	1.92	38.2	50.3	71.8	128.1	27.3	95.2	5.6	103.2	77.5	117.8
2024	755.1	1.93	38.9	50.2	73.7	128.9	27.8	96.7	5.6	104.7	79.2	118.4
2025	764.4	1.94	39.6	50.1	75.6	129.7	28.0	98.1	5.7	106.1	80.9	119.0
2026	774.0	1.94	40.3	50.1	77.5	130.5	28.3	99.6	5.7	107.4	82.7	119.6
2027	784.0	1.95	41.1	50.0	79.4	131.3	28.7	101.1	5.7	108.9	84.6	120.4
2028	794.0	1.95	41.9	50.0	81.4	132.2	28.9	102.5	5.7	110.3	86.6	121.2
2029	804.3	1.95	42.7	50.0	83.3	133.1	29.3	103.9	5.7	111.7	88.6	121.9
2030	814.6	1.94	43.7	50.1	85.2	134.0	29.5	105.3	5.8	113.2	90.7	122.6
2031	824.9	1.91	44.6	50.1	87.1	135.1	29.7	106.6	5.8	114.6	92.8	123.3
2032	835.2	1.91	45.5	50.2	89.0	136.2	30.0	107.9	5.8	116.0	95.0	123.9
2033	845.3	1.91	46.5	50.3	90.9	137.2	30.1	109.0	5.8	117.5	97.2	124.5
2034	855.4	1.92	47.4	50.4	92.8	138.2	30.3	110.1	5.8	118.9	99.4	125.0
2035	865.4	1.92	48.3	50.5	94.6	139.1	30.4	111.2	5.9	120.4	101.7	125.5
2036	875.4	1.94	49.2	50.7	96.5	140.0	30.7	112.2	5.9	121.8	104.0	126.0
2037	885.5	1.96	50.2	51.0	98.4	140.9	31.0	113.2	5.9	123.2	106.3	126.5
2038	895.6	1.95	51.1	51.2	100.2	141.7	31.2	114.3	5.9	124.7	108.7	127.0
2039	905.6	1.95	52.0	51.5	102.0	142.5	31.5	115.3	5.9	126.1	111.0	127.4
2040	915.5	1.96	52.9	51.8	103.8	143.2	31.7	116.4	6.0	127.5	113.4	127.8

thousands of jobs

Manufacturing Employment
1990 - 2035

thousands of jobs

Employment in Professional Services
1990 - 2035

Real Retail Sales Growth

percent change

1990 - 2035

Real Earnings Per Worker

thousands of constant 2013 dollars per worker

1990 - 2035

California

San Bernardino County

forecast

Net Migration

inmigrants minus outmigrants

1990 - 2035

Industrial and Farm Production Indices

inflation adjusted index (1990=100)

1990 - 2035

Industrial

Farm

forecast

County Economic and Demographic Indicators

Projected Economic Growth (2014-2019)

Expected retail sales growth:	11.1%
Expected job growth:	8.9%
Fastest growing jobs sector:	Construction
Expected personal income growth:	16.3%

Expected population growth:	6.0%
Net migration to account for:	24.5%
Expected growth in number of vehicles:	7.1%

Demographics (2014)

Unemployment rate (April 2014):	8.3%
County rank* in California (58 counties):	25th
Working age (16-64) population:	65.5%

Population with B.A. degree or higher:	18.4%
Median home selling price (2013):	$205,000
Median household income:	$50,080

Quality of Life

Violent crime rate (2012):	424 per 100,000 persons
County rank* in California (58 counties):	36th
Average commute time to work (2014):	32.3 minutes

High school drop out rate (2012):	15.5 %
Households at/below poverty line (2014):	14.8%

* The county ranked 1st corresponds to the lowest rate in California